Creating a Community Pharmacy Majority - Keys to a Successful Grassroots Movement

Presented by:

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This program is approved by NCPA for 0.15 CEUs (1.5 contact hours) of continuing education credit. NCPA is approved by the Accreditation Council for Pharmacy Education as a provider of continuing pharmacy education.
Educational Objectives

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Objectives:
Effective Grassroots Lobbying

October 2007
Anaheim, California

Why Grassroots Lobbying?

• Your business needs your personal involvement in the political process
• Grassroots involvement is an investment that pays major dividends

Grassroots Lobbying is Communicating

• Explain your business to legislators and their staffs
• Develop relationships with legislators and their staffs
• Become a public policy resource
“All Politics is Local”

- Your voice counts because you are a constituent
- Every politician wants your vote
- Small business is an important constituency
- Health care professionals are an important constituency

Grassroots is You

- If you want to avoid an adverse business setback at the hands of government, you have to take action
- The outcome for community pharmacy depends on your participation

The Five W’s of a Grassroots Program

- **Who?** Community Pharmacists
- **What?** Educate legislators and key staffers about issues that impact your business and your patients
- **Where?** At the state or Federal level
- **When?** Every time NCPA disseminates a mobilization
- **Why?** You are vulnerable – Don’t be at the mercy of politicians, bureaucrats and lobbyists for other industries
It’s Easy to Get Involved!

• All you have to do is communicate with elected officials to influence policy that affects community pharmacy

It’s All About Access

• Access is obtaining appointments
• You are tasked with raising community pharmacy concerns with elected officials
• You have to call, email or meet with your Member of Congress and state legislators
• Develop a professional working relationship with your Senators, Congressman and state legislators
• That’s Access!

The Tools of Effective Grassroots Lobbying

• NCPA’s Grassroots Mobilizations will tell you what to do and what to say
Tool #1: Email

- **Who** – Tell them who you are
- **Why** – Be clear about the issue you are writing about
  – Use the Bill number if available
- **What** – Ask for their support or opposition
- **Where** – Make the point that the issue affects you, your business, your patients and your local community
- **When** – As soon as you receive an NCPA mobilization – Use NCPA’s website – www.ncpanet.org – And click on the Capitol Dome

Tool #1: Email

- Be straightforward – Use NCPA mobilizations as a guide
- Keep it short
- Make your main point immediately that you are “for” or “against”
- Avoid pharmacy lingo
- Use facts to backup your opinions
- State your credentials
- Be polite

Tool #2: Visits with Elected Officials

- Visit your Congressman’s District Office
- Attend a “Town Hall”
- Come to Washington – NCPA will help you schedule an appointment with your Senators and Representative
### Tool #3: Telephone Calls

- Use the phone when time is critical
- Leave a simple message of support or opposition
- Always mention your name, title, the name of your pharmacy, its location and the number of patients you serve every month

### Tool #4: Fax

- Make it look like a letter
- Use simple sentences
- Make your point and provide supporting facts
- Ask the legislator to take a specific action (e.g., co-sponsor a Bill)

### Tool #5: Pharmacy Tour

- Invite your Senators, Representative or state legislators to tour your pharmacy
- Show them what you do
- Make an impression
Tool #6: Work with NCPA’s Government Affairs Team

- Use NCPA’s grassroots mobilizations
- Let us know what your elected officials are saying
- Grassroots lobbying is a team effort

Understanding Legislators

- Not all legislators are equal
- Committee membership is paramount
- Committee chairmen are “kings”
- Staffers are important
- Every vote is a balancing act

Understanding Legislation

- Information
- Necessity
- Fiscal Implications
- Politics
- Visibility/Press
The Role of Money

• The “Mother’s Milk” of politics
• NCPA’s PAC
• NCPA’s LDF
• Support you PAC and LDF for the sake of your business
• “Become a monthly contributor”

The Key Issues

• Medicaid – Fixing AMP
• Medicare – Prompt Pay
• PBM’s – Business negotiations
• Tamper resistant pads
• TRICARE
• Durable Medical Equipment (DME)
• Pedigree
HR 3140/S 1951

- Patient access to prescriptions must be preserved
- Average Manufacturer’s Price (AMP) is a disaster for Medicaid
- GAO found that, on average, the AMP-based FUL is 36% below pharmacy acquisition cost
- OIG found the AMP-based FUL is below pharmacy acquisition cost for 19 of 25 high expenditure Medicaid drugs
- Thousands of pharmacies with high Medicaid populations may be forced to close unless Congress acts

HR 3140/S 1951

- HR 3140 – Retail Acquisition Cost (RAC) makes more sense than AMP
- S 1951 – Changes AMP system so pharmacies will not lose money on most generics they dispense
- Higher generic utilization should be promoted to save taxpayers dollars
**Medicaid Savings from Greater Generic Utilization**

- Brand Scripts Filled: 116,400,880
- Brand Dollars Spent: $18,064,747,884
- Brand Avg $ per Script: $155.19
- Brand Fill %: 39.5%
- Generic Scripts Filled: 178,229,109
- Generic Dollars Spent: $3,903,980,231
- Generic Avg $ per Script: $21.90
- Generic Fill %: 60.5%

**Medicaid Savings from Greater Generic Utilization**

- Each 1% moved to Generic saves: $201,731,027
- Annual savings with generic fill of 65%: $907,789,622
- Savings for Medicaid over 5 years: $4,538,948,109

**Medicaid Generic Share of Prescriptions by State**

- AL – 70%
- TN – 68%
- MS – 67%
- CO – 66%
- NE – 55%
- IA – 54%
- CA - 49%
HR 1474/S 1954

- Plans must pay providers promptly
- Slow payments force independents to carry a credit line averaging over $70,000 per store, many averaging in the hundreds of thousands of dollars
- Independents should not have to “bank” the Part D program
- Providers should be reimbursed electronically within 14 days
- Unfair co-branding (misleading advertising) prohibited

HR 1474/S 1954

- University of Texas study demonstrates the extent of slow reimbursements
- Fifty percent of electronically submitted, electronically paid claims take more than 30 days to pay
- Seventeen percent of electronically submitted, electronically paid claims take more than 60 days to pay
- Situation is even worse because so many claims are paid by “snail mail”

HR 971

- PBM practices hurt patients
  - Shrinking/Shifting formularies
  - Lack of uniformity/completeness on prescription drug cards creates delays
  - Redundant pre-authorization hassles generate endless red tape
  - Ninety day prescriptions are difficult to fill because PBMs insist patients use their mail order operations
HR 971

- Patient care suffers because PBMs focus on their own financial gain
- PBMs switch patients to more expensive drugs to maximize their rebates
- PBMs routinely bill employers more than they pay the pharmacy

HR 971

- Allows independent pharmacies the ability to negotiate like larger chains
- Levels the “playing field” for independents so they can obtain better deals for their patients

Put a Local Face on National Issues!

- You have a great story to tell
- Tell your story your way, before someone else tells your story their way
- You are the expert – elected officials need to know what you know
- You have clout – Use It!
- The price of inaction is high – Get Active!
Learning Assessment Questions

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Questions:

1. Which of the following is not an effective tool for grassroots lobbying?
   A. Email  
   B. Fax  
   C. Visits with Elected Officials  
   D. Mail

2. True or false: It is preferred to use pharmacy terminology when meeting with elected officials.

3. In HR 3140, what is the proposed benchmark to replace average manufacturers price (AMP) in Medicaid?
   A. Average wholesale price (AWP)  
   B. Retail acquisition cost (RAC)  
   C. Maximum allowable cost (MAC)  
   D. Wholesale acquisition cost (WAC)

4. What state has the highest Medicaid generic dispensing rate?
   A. Alabama  
   B. Arkansas  
   C. California  
   D. Nebraska

5. What is the current house bill that allows independent pharmacies to negotiate with PBMs like chains?
   A. HR 871  
   B. HR 452  
   C. HR 952  
   D. HR 971
Learning Assessment Answers

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Answers:

1. D
2. False
3. B
4. A
5. D